

VZCZCXYZ0022
RR RUEHWEB

DE RUEHMS #0273/01 0911451
ZNY SSSSS ZZH (CCY ADX4B6132 TOQ1675 540A
R 011451Z APR 09 ZDS
FM AMEMBASSY MUSCAT
TO RUEHC/SECSTATE WASHDC 0292
INFO RHBVAKS/COMUSNAVCENT
RHMFISS/COMUSMARCENT
RHMFISS/CDR USCENTCOM MACDILL AFB FL
RHMFISS/USAFCENT SHAW AFB SC
RUEASRB/COMUSARCENT FT MCPHERSON GA
RUEHMS/AMEMBASSY MUSCAT
RUEKJCS/SECDEF WASHINGTON DC

S E C R E T MUSCAT 000273

SIPDIS SIPDIS
NOFORN
SENSITIVE
DEPARTMENT FOR NEA/ARP AND PM

C O R R E C T E D C O P Y (ADDRESSEES)

E.O. 12958: DECL: 04-01-2019
TAGS: [PREL](#) [PTER](#) [MASS](#) [MOPS](#) [MU](#)
SUBJECT: SCENESETTER FOR U.S.-OMAN JOINT MILITARY COMMISSION

CLASSIFIED BY: Gary A. Grappo, Ambassador, U.S. Department of State,
U.S. Embassy - Muscat; REASON: 1.4(B), (D)

SUMMARY

¶1. (C) Security and military cooperation between the U.S. and Oman, as well as the overall bilateral relationship, remains strong. Oman's strategic location makes it a highly valued partner for the support of U.S. military operations across a wide area. While sharing U.S. concerns on Iran's nuclear program and regional meddling, Oman has differed with us on how to change Iranian behavior. Civilian leaders stress that Iran is not a threat to Oman and are very careful not to antagonize the Tehran regime. Omani military and security service officials, however, better recognize the danger Iran poses to the region, which is reflected in the Sultanate's defense posture. Enforcement of Oman's porous land borders and extensive coastline against infiltration by smugglers, drug traffickers and, potentially, terrorists is a top priority for Oman and major area for bilateral cooperation with the U.S.

¶2. (S/NF) At the upcoming U.S.-Oman Joint Military Commission (JMC), we need to begin a sustained effort to expand the Base Access Agreement, which is up for renewal in 2010, to include the Port of Sohar, a new drydock and related facilities under construction in Duqm, and the airbase currently under construction in al-Musanah. Capacity constraints and Oman's sensitivities towards Iran may complicate U.S. use of both Sohar and al-Musanah. We should also highlight, as appropriate, the benefits of additional squadrons of F-16s as Oman considers the purchase of new fighter aircraft, particularly the Eurofighter Typhoon, to replace its aging Jaguars. Oman has been displeased with the sharp drop in its Foreign Military Financing (FMF) and continues to eschew expensive Patriot missiles in favor of military hardware, such as HIMARS/ATACMS, to help deter more asymmetrical threats. The Omanis have asked that a U.S. proposal to establish a regional office in Muscat of the Near East South Asia Center for Strategic Studies (which we have strongly lobbied for with key officials), be added to the JMC agenda. End Summary.

A SOLID AND STRATEGIC ALLY

¶3. (C) One of our oldest and most dependable friends in the region, Oman remains a valued ally. The Sultanate also continues to be of critical geo-strategic importance to the U.S. Directly on the Strait of Hormuz and only 18 miles from Iran at its closest point, Oman presides over all the shipping lanes in this vital chokepoint, through which pass nearly half the world's exported oil and all U.S. naval vessels transiting the Gulf. Oman's location on the eastern end of the Arabian Peninsula makes it an optimal platform for the projection of U.S. military power from the Horn of Africa to South Asia. Given Oman's proximity to the Gulf of Aden and the Somali coast, Omani facilities are also well-positioned for possible use to assist international anti-piracy efforts.

¶4. (C) Under the direction of Sultan Qaboos, Oman made a strategic decision in 1980 to align itself with the United States by entering into the U.S.-Oman Base Access Agreement (BAA). When originally signed, the BAA was unprecedented and highly criticized in the region, but demonstrated Oman's resolve to look to the U.S. (and to a lesser extent, the United Kingdom) to help guarantee its security. Since then, the U.S. has used the BAA to great advantage for Desert Storm, OEF, OIF and other operations. U.S. security and military cooperation with the Sultanate remains strong through regular dialogue (including the JMC), bilateral military exercises, equipment provision and training programs. Oman has supported virtually all access, basing and over-flight requests we have made. The Sultanate continues, however, to strive to keep most aspects of its security and military relationship with the U.S. out of the public eye.

¶5. (S/NF) Despite its strength, there is room for improvement in the U.S.-Oman security and military relationship. Military intelligence sharing remains very limited. The provision of new electronic intelligence (ELINT) equipment to Oman should help to advance this area of cooperation. The Omani government does not currently allow visits by nuclear-powered warships; the Ministry of Foreign Affairs rejected a request for an exception to this policy in 2008 to allow a nuclear-powered submarine to make a port call. Oman has also denied U.S. requests to perform hydrographic surveys near the Musandam Peninsula and in other areas of its territorial waters. Moreover, the government has recently declined to approve requests by the U.S. military to conduct Port Vulnerability Assessments in Oman, although the reasons for this remain unclear.

¶6. (C) The U.S. enjoys a multi-faceted and similarly strong relationship with Oman outside the security and military arenas. The entry into force on January 1, 2009, of the landmark U.S.-Oman Free Trade Agreement promises to substantially boost trade and economic ties, while U.S. and Omani officials continue to consult closely on a variety of regional and bilateral issues. Public diplomacy programs, including numerous exchanges, are helping to foster greater understanding of U.S. society and policies. Major irritants in the bilateral relationship are few and far between, but Oman's placement on "Tier 3" (i.e. the worst category) in the State Department's 2008 Trafficking in Persons (TIP) Report -- which carries with it mandatory sanctions if not waived by the administration -- greatly angered the Omani government and threatened to damage bilateral cooperation on a variety of fronts. Oman was fortunately moved up a notch to "Tier 2 Watch List," which succeeded in mollifying the government, after taking remedial measures during a reassessment period. The 2009 TIP Report is scheduled to be released on June 1.

DIFFERING VIEWS ON IRAN

¶7. (C) One important subject on which we do not see eye to eye with Oman is the threat posed by Iran, although the Omani position is clouded by contrasting views held by civilian officials and

leaders in the military and security services. This divergence from U.S. thinking ultimately affects our bilateral coordination on some security matters. Free of boundary disputes or other contentious issues, Oman enjoys the best relations with Iran of any GCC state and is careful not to antagonize its neighbor to the north. Senior officials of both countries conduct reciprocal visits and the Omani police and military maintain open channels of communication with their Iranian counterparts on matters of joint concern, such as the smuggling of illegal migrant workers and drugs. Iranians and Omanis invite one another to observe each other's military exercises; Iranian naval vessels have been allowed to make port calls in Muscat.

18. (C) While keen to maintain amicable relations with Tehran, Oman has traditionally maintained a comfortable distance from its Persian neighbor. Apart from a few subjects, meaningful bilateral cooperation has been scant while economic and commercial ties are limited. Sharing U.S. concerns about Iran's troublesome behavior, Omani officials have used their access to the Iranian leadership to encourage a more cooperative approach with the P5 plus 1 on Tehran's nuclear program and to warn against meddling in the affairs of other countries in the region. There are indications, however, that both Oman and Iran are trying to strengthen their bilateral relationship. Iran is pushing to increase tourism, trade and investment with Oman, as well as the level of mil-mil cooperation. The Omani government has responded positively, albeit cautiously, to some of these overtures, although there are no reports of increased engagement on military matters. One factor in Oman's evolving approach towards Iran is natural gas. Oman urgently needs large quantities of gas to fuel its ambitious industrial development plans but its outreach to Saudi Arabia and Qatar for new gas supplies has been rebuffed. The Omanis, similar to their Bahraini brethren, thus see Iran as the only realistic source and are accordingly in protracted talks with Tehran on potentially investing billions of dollars in a project to develop Iran's nearby Kish gas field.

19. (C) Perhaps reflecting a desire to not provoke Tehran, senior Omanis repeatedly assert that sanctions against Iran regime will only strengthen hard-line attitudes in Tehran and instead advise us to initiate direct talks with the Iranian leadership without preconditions. More recently, senior officials have voiced approval of the U.S. administration's overtures to Iran and our willingness to open a dialog. Omani officials verbally deny that Iran poses a direct threat to the Sultanate's national interests. Leaders in Oman's military and security services, however, including the Sultan's top security official and advisor, take a more pragmatic view about the dangers posed by Iran than their civilian counterparts, who are most apt to downplay Iran's destabilizing activities and bellicose statements. Moreover, Oman's defense posture, including its staging of equipment (e.g., the basing of fighter aircraft away from the threat of an Iranian strike in Thumrait) and acquisition of new military hardware (e.g., HIMARS/ATACMS) shows that it clearly recognizes the risk that Iran poses to regional stability.

OMANI SECURITY CONCERNS

10. (C) Oman's long coastline and relatively open borders in some inland areas remain vulnerable to smugglers, drug traffickers, and terrorists. Border control accordingly continues to be one of Oman's top priorities and a major area for bilateral cooperation with the U.S. The Royal Oman Police Coast Guard regularly detains smugglers and illegal migrant workers, usually along Oman's northern coast between Muscat and Sohar. Most of the migrant workers cross overland from South Asia to Iran where they then board ships bound for the Sultanate; many of them seek to only transit Oman in their search for jobs in the UAE. More Somalis are allegedly attempting to enter Oman via Yemen.

BASE ACCESS AGREEMENT

¶11. (C) The BAA is still a cornerstone of our bilateral relationship with Oman. Up for renewal in 2010, we need to use the JMC to set the stage for a strong push to expand its scope in negotiations to include the growing Port of Sohar in northern Oman, a new port and drydock facility (and potentially an airport) in Duqm, and the new al-Musanah airbase. U.S. AFCENT hopes to build a new War Reserve Material (WRM) site at al-Musanah to help compensate for the phased closure of military facilities at Muscat International Airport (MIA) by June 2010. [Note: Currently, AFCENT maintains three WRM sites in Oman, which house almost USD 10 billion in weapons, equipment and supplies to support U.S. military operations in the Middle East and South Asia. End Note.]

¶12. (S/NF) Close to al-Musanah on Oman's northern coast, the Port of Sohar provides an ideal location for U.S. vessels operating in the Gulf of Oman up to the Strait of Hormuz. However, our requests for access to and use of Sohar have met resistance. For example, a private commercial company recently offered to provide readily available storage space at a Port of Sohar terminal for non-lethal FMS cargo (e.g., tents, vehicles, etc.) eventually bound for Afghanistan but asked that we first get permission from the Omani government before closing the deal. The Ministry of Foreign Affairs subsequently proceeded to withhold authorization, disingenuously claiming that there was no currently sufficient storage capacity. We suspect that Omani officials may be uncomfortable allowing unfettered U.S. military use of the Port of Sohar given its proximity to Iran. This attitude could even influence Oman's views on U.S. use of al-Musanah, which would be a much less attractive facility without corresponding access to Sohar. [Note: Contacts have reported that the government may decide not to allow kinetic military operations to be based out of al-Musanah. End Note.]

¶13. (C) Despite a slowing economy and drop in oil revenues, the government plans to expend up to \$1.8 billion to develop a major port and related facilities -- to eventually include an airfield -- near the town of Duqm along Oman's sparsely populated central coast. Work is currently underway on two dry docks at Duqm, measuring 400m x 100m and 400m x 80m, which are scheduled to be completed in 2010 and will be the primary focus of the port. Duqm currently has a 4 km long breakwater that accommodates a 2.2 km berth and a 700 meter berth and has been dredged to accommodate a depth of 18-19 meters. Given Duqm's relative isolation from population centers and the need to make its huge investment pay off, we expect that the Omani government would be receptive to adding Duqm to the BAA along with the adjacent planned airport.

¶14. (C) The government currently does not permit nuclear-powered warships to anchor in Omani ports. We informally approached the Ministry of Foreign Affairs in 2008 to request an exception to this policy in order to allow a nuclear-powered submarine to make a port call, but this was denied. NAVCENT sees a submarine visit as a stepping stone to ultimately opening the way for additional submarines and even carriers to call at Omani ports, near but outside the Gulf. We do not propose that this issue be directly raised at the JMC, but recommend that it be considered for BAA negotiations if still important to the U.S. Navy.

FMF AND DEFENSE EQUIPMENT SALES

¶15. (C) From a high of USD 24.85 million in FY 04, the FY 08 Foreign Military Financing (FMF) budget request for Oman was reduced to USD 4.7 million. Low levels of U.S. FMF poses a challenge for the modernization of Oman's military, as well as for the future of U.S. weapons sales to Oman. The projected upward

trend in FMF for FY 09 and beyond is a step in the right direction, but more assistance is needed to help achieve U.S. security goals here. IMET funding has not experienced a decline and continues to play an important role in building relationships with rising Omani officers, who tend to be among the most consistently professional in the Gulf region.

¶16. (S/NF) Omani leaders remain persuaded that Iran would not attack GCC countries with missiles in response to a military strike staged in the Gulf. They see asymmetrical, terrorist operations conducted by Iran against Gulf states, including U.S. targets in these countries, as a greater danger. Consequently, the Omanis have little appetite for high

price-tag Patriot missiles, but are interested in Shared Early Warning (SEW) and seek to modernize their capability - both defensive and deterrent - to help counter what they view as more likely threats. To this end, Oman has made ATACMS/HIMARS a top priority due to its strong deterrent capability and we should be prepared to state our formal agreement for their purchase of this important system. Concerned by instability and terrorism in neighboring Yemen, Oman also sees FMF as an integral part of its border enforcement efforts. The Sultanate does not appear eager to integrate its defense plans and weapons systems with those of the other Gulf states, which are viewed as less professional militarily, as this might limit its policy independence. However, sounding out the Omanis on this matter, especially in light of planned weapon purchases in the UAE, may be helpful.

¶17. (C/NF) During the February 2009 visit to Muscat of U.S. AFCENT Commander General Gary North, we learned that the Omani government was strongly considering the purchase of Eurofighter Typhoon aircraft to replace one of two squadrons (12 aircraft each) of its aging Jaguar fighters. A second squadron of F-16s was reportedly a possibility for replacing the remaining Jaguar squadron. [Note: Delivery of Oman's current squadron of 12 Block 50 F-16s was completed in 2006; delivery of AIDEWS for these plans, however, remains delayed. End Note. The Ambassador subsequently engaged directly with senior officials to lobby for the purchase of F-16s over Typhoons, pointing out the considerable cost and performance advantages of the U.S. fighter, and learned that the government had postponed a final decision on aircraft acquisition due to budgetary concerns prompted by low oil prices and the global financial crisis. We should take advantage of this delay by highlighting, as appropriate, the benefits of the F-16 during the JMC.

NESA CENTER REGIONAL OFFICE

¶18. (C) After lengthy consideration, the Near East South Asia Center for Strategic Studies (NESA Center) at the U.S. National Defense University chose Oman as its preferred location for establishing a forward office to help coordinate and conduct programs in the region. Post has since engaged directly with senior contacts in the military, Ministry of Defense, Ministry of Foreign Affairs and the security services to explain this proposal, identify the potential benefits for Oman, and to answer questions over the Center's projected activities in the Sultanate. We believe that officials are hesitant to agree to a NESA Center presence in Oman due to concerns over program participants from the region (particularly Israelis given local strong reaction to Israel's recent military operations in Gaza) and how this would look to Tehran. Nevertheless, Oman has asked that the proposed NESA Center regional office in Muscat be placed on the JMC agenda. We should use its inclusion to help further persuade the Omani military to get behind the proposal, emphasizing that it will be a low-profile partnership that does not seek publicity much like the Muscat-hosted Middle East Desalination Research Center (MEDRC) which brings together Israelis, Palestinians and others in a low-key way.

DESC FUELS PROJECT

¶19. (C) There is a CENTCOM-validated, NAVCENT-approved plan to shift Defense Energy Support Center (DESC) inter- and intra-theater fuel stores to the Port of Salalah, which will constitute 19% of NAVCENT war reserve stock. The proposed project will not increase the size of the port, but would add infrastructure to the existing bulk fuel storage facility. Current British Petroleum storage capacity in Salalah appears to be approximately 715 thousand barrels (Mbbls). NAVCENT would accordingly require construction of at least 535 Mbbls of storage capacity to meet its 1,250 Mbbls target. Additionally, the existing risers at the port are not capable of refueling Combat Logistics Force (CLF) vessels so that pipeline and loading arm construction or modification would likely be required. NAVCENT does not need dedicated pier space, but rather priority scheduling for space when requested in advance. A rough estimate for all construction costs is approximately \$20 million for five 100 Mbbls tanks, a loading arm and other infrastructure. DESC will need coordination assistance and permission from the Omani government to solicit competitive proposals for the construction as well as for future sustainment support.
GRAPPO